

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



March 17, 1988

ALL COUNTY LETTER NO: 88-30

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: GAIN QUESTIONS AND ANSWERS - 1988 COUNTY FUNDING LEVELS

Attached is a set of questions that have been asked by Counties with respect to the Fiscal Year 1988-89 GAIN funding levels, along with our Department's responses. The questions were raised by Counties during the recent Cost Control Questionnaire/GAIN workshops.

The most common questions concerned the budget outlook for future fiscal years and whether all Counties will be required to make program adjustments if available funding does not increase. While it is not possible at this time to project future funding levels, Counties should consider program adjustments now that will continue to be reasonable and effective should additional funding not be available. The Department recognizes that we will have to reassess our allocation methodology if there continues to be insufficient funding for a full statewide program. We have already begun discussions with the County Welfare Directors Association (CWDA) to consider alternative ways of developing County allocations should this occur. The issue will also be addressed during Budget hearings.

If you have any questions regarding this package, please contact your GAIN Operations Analyst.

A handwritten signature in cursive script, reading "Dennis J. Boyle".

DENNIS J. BOYLE  
Deputy Director

Attachment

cc: County GAIN Coordinators  
CWDA

1. Concern: If the funding levels represent the maximum amount available to each County in Fiscal Year (FY) 1988/89, why is the State requiring Counties to submit revised budget assumptions?

Response: The GAIN statute, Welfare and Institutions Code (WIC) Section 11320.2(b), and the GAIN regulations, Manual of Policies and Procedures (MPP) 42-720.1, specifically require each County to design a program that reflects local training and job market needs. In order to maximize County flexibility in adjusting County plans to accommodate the FY 1988/89 funding levels, it is necessary for Counties to determine the changes that will be required by these funding levels and to submit corresponding budget assumptions.

In addition, because of the various funding sources utilized by the GAIN Program, costs must be identified by component. In order for the State Department of Social Services (SDSS) to identify and track component costs, Counties must identify projected caseloads and unit costs by component.

2. Concern: a. Will Counties be required to hold a second public hearing and get County Board of Supervisors' approval for plan revisions resulting from reduced funding/statutory reductions?
- b. Is County Board of Supervisors' approval necessary prior to submission of the budget assumptions by March 31?
- c. What action will the State take if a County's Board of Supervisors refuses to approve a plan with statutory reductions?

Response: a. The GAIN statute, WIC Section 11320.2(c), and the GAIN regulations, MPP 42-720.4, require County Board of Supervisors' approval of initial GAIN County plans. There is no requirement that plans revised to include only statutory reductions be approved by the Board of Supervisors. However, it is expected that plan revisions that go beyond statutory reductions (i.e., revisions to the delivery of services) will be taken to the Board of Supervisors for approval.

Manual of Policies and Procedures 42-720.412(a) provides that a public hearing must be held when the plan is significantly revised as determined by the County.

- b. No.

- c. The statute, WIC Section 111320.2(g), requires Counties to implement GAIN by September 25, 1988. It is expected that all Counties will meet this statutory start date.

3. Concern: When are plan revisions due to the State?

Response: Plan revisions are not due by a specific date. However, a summary of proposed plan revisions should be submitted as close as possible to the submission of the budget assumptions. An allocation cannot be finalized until plan revisions have been received.

4. Concern: Will costs associated with planning and implementation, including electronic data processing (EDP) costs, be separate from the FY 1988/89 funding level?

Response: No. All GAIN-related costs (except those associated with the Tier I evaluation), including planning, implementation and on-going, are covered by the FY 1988/89 funding level.

5. Concern:
- a. Will SDSS consider allowing implementation expenditures this FY prior to plan approval?
  - b. Can FY 1987/88 funds be carried forward to FY 1988/89? If not, can they be encumbered this FY, or must they be expended?
  - c. Can SDSS speed-up the plan approval process so that Counties can go into implementation this FY?
  - d. How much money is available this FY?

Response: a. We recognize there are certain implementation activities that can take place prior to plan approval. We also recognize the need to maximize FY 1987/88 funds. We are currently evaluating the available funds for this FY, taking into account the funds needed by the Counties and State agencies, such as the Employment Development Department and the State Department of Education. Counties will be informed of the amount of available funds as soon as our evaluation is completed.

We will fund as many implementation activities this FY as possible with the available funds. These items include:

- ~ purchase of EDP systems for which State and/or Federal approval has been received;
- ~ when a minimum number of staff has been determined

(based on the County's budget assumptions), purchase of office furniture, equipment and supplies which will be used in FY 1988/89; and,

- ~ purchase or lease of space to the extent such space can be immediately occupied by existing planning staff. SPACE THAT CANNOT BE OCCUPIED CANNOT BE PURCHASED OR LEASED.

Counties should inform their GAIN Operations Analysts as soon as possible of any implementation items, and costs, that fall within the above categories and for which FY 1987/88 funding is requested.

- b. We are currently exploring within the Administration the possibility of carrying FY 1987/88 funds into FY 1988/89. Final decisions on this will be made as part of the budget process. If funds cannot be carried over, they must be expended in, and claimed to, FY 1987/88.
- c. Staff from the GAIN Operations and Employment Services Bureau will be working very closely with non-operating Counties to approve plans and develop final allocations as soon as possible. It is our goal to be in a position to approve all outstanding plans and develop final allocations by June 30, 1988.
- d. As stated above, SDSS is currently evaluating the Counties' needs and funds available to cover implementation costs this FY. A specific amount of available funding has not been determined at this time.

6. Concern: In Counties with no public transportation, can participants without access to private transportation be exempted from participation? This would allow program dollars to be spent on program activities, rather than on establishing a transportation system.

Response: Lack of transportation in and of itself does not qualify a participant as exempt. However, if lack of transportation is combined with living in a location where a round trip of more than two hours is required to participate, the participant can be exempted due to remoteness. It must also be noted that if the normal commute time in a community is more than two hours round trip, the participant cannot be considered remote (MPP 42-636). In addition, remote principal earners must still comply with work registration requirements by registering with the Employment Development Department's

## Job Service.

If participants do not meet the remoteness criteria, it may be possible that such participants would have good cause for not participating. To justify designating a group or groups of participants as having good cause for non-participation, the County must identify transportation as an unmet need for these participants as specified in WIC Section 11320.2(b)(6) and MPP 42-720.326. In addition, the County must provide, at a minimum, the following justifications:

- ~ the number of participants the County anticipates will be affected;
- ~ the approximate number of round trip hours from the area(s) of residence to the service location(s);
- ~ the approximate cost of establishing a transportation system, including the total cost and the cost per participant;
- ~ the approximate cost of alternative forms of transportation such as taxis and bus services (Greyhound, etc.);
- ~ the feasibility of alternative transportation forms, i.e., how bus schedules compare to GAIN component times; and,
- ~ the activities, in lieu of establishing a transportation system, the County proposes to take to provide transportation to as many participants as possible. Such activities include, but are not limited to, ride share programs and centralized service locations.

Participants who live within two miles round trip walking distance from the service location(s) would not have good cause for non-participation and would, therefore, be required to participate (MPP 42-783.1(b)).

It must be stressed that, while Counties may request approval for not providing transportation services to a portion of the GAIN-eligible caseload, SDSS will be very cautious in approving such requests. It is expected that the Counties will explore all alternatives prior to choosing this approach.

7. Concern: Based on information from operating Counties, what are the unit costs for Job Club and Job Search?

Response: Approved average unit costs per participant for Job Club and Job Search in operating Counties are as follows:

	<u>Contracts</u>	<u>Total Costs</u>
Job Club	\$262	\$469
Job Search	\$369	\$523

Total Costs include costs for case management and supportive services.

8. Concern: Are there fraud activities/costs associated with GAIN? If so, where are these costs identified on the Cost Control Questionnaire?

Response: No provisions have been made for requesting funding for fraud activities related to GAIN. Any Counties experiencing costs related to fraud activities should contact their GAIN Operations Analyst.

9. Concern: Is the statutory requirement for a two-year phase-in still applicable with statutory reductions? Are persons excluded from GAIN participation due to statutory reductions in FY 1988/89 to be phased-in in FY 1989/90?

Response: The requirement that all existing Aid to Families with Dependent Children (AFDC) recipients be phased-in within two years of the program start date is still applicable. All existing AFDC recipients must be phased-in by the end of the second year of operation, unless a County's FY 1989/90 allocation appears to be insufficient to complete a full caseload phase-in. In that case, the County will need to submit a reduction plan in accordance with MPP 42-720.6.

It may be possible that, for FY 1988/89, a County may design a phase-in that will allow the County to remain within the FY 1988/89 funding level without taking statutory reductions. An FY 1988/89 phase-in can include a caseload that consists of existing AFDC recipients and volunteers if it is within the County's funding level. A County's proposed phase-in is part of the County's GAIN plan and, as such, is subject to approval by SDSS.

In designing a phase-in for FY 1988/89, the County should consider the following:

- ~ A phase-in design for FY 1988/89 that includes only volunteers or potential self-initiated training/education participants will not be approved because long-term AFDC recipients would be excluded

from GAIN services. The statute, WIC 11320.4(b), and regulations, MPP 42-730.6, specifically state that these recipients are to receive priority services.

- ~ A phase-in plan that emphasizes participants in the first levels of statutory reductions (e.g., levels 1-4) may result in these participants being deferred due to statutory reductions in FY 1989/90 if there are insufficient funds for that fiscal year.
- ~ The County should not plan a FY 1988/89 phase-in that leaves an unrealistic number of recipients to be phased-in in FY 1989/90.

Statutory reduction plans are effective for a maximum of one fiscal year and are subject to SDSS approval (WIC Section 11320.2(h) and MPP 42-720.642(a)).

10. Concern: Can Counties take a percentage of each statutory reduction level to reduce the caseload?

Response: No. The statutory reductions must be taken in the order listed, and all persons in each level must be excluded from participation prior to moving to the next level (WIC Section 11320.2(h) and MPP 42-720.63).

11. Concern:
- a. The statutory reductions listed on the TEMP GAIN 10 (Caseload Assumptions) require "exemptions," but the reductions as listed in the regulations require "deferrals." If they are "deferrals," these would be cases requiring GAIN case management time for periodic status checks. Also, the GAIN tracking forms require "deferrals due to statutory reductions," not "exemptions."
  - b. If a person meets the statutory reduction criteria at the beginning of the reduction period but his/her status changes during the reduction period so that he/she no longer meets the reduction criteria, is he/she to be brought into the program at that point?

Response: a. Statutory language (WIC Section 11320.2(h)(1)) uses the word "exemptions," and it is used on the TEMP GAIN 10. Regardless of the term used, when there are insufficient funds to fully operate the program, persons meeting statutory reduction criteria are excluded from GAIN Program participation. They are not, however, "exempted" from work program registration under MPP 42-625.

Although persons affected by the statutory reduction criteria are not "exempted" as defined in

MPP 42-625, neither do they technically meet the deferral criteria defined in MPP 42-761.4. For this reason the requirement in MPP 42-761.421 that the deferral status be reviewed at least every six months does not apply.

For purposes of statutory reductions, persons excluded from GAIN Program participation due to statutory reductions are "deferred" as specified in MPP 42-720.6. However, these persons will not receive any GAIN services.

- b. A person whose status changes during the reduction period is eligible to be phased-in to the program. The initial determination of deferral due to statutory reductions should be made prior to orientation/testing.

We recognize there are many issues relating to the tracking and reporting activities for persons deferred due to statutory reductions. We are working with CWDA to provide clarification of these issues to all Counties as soon as possible.

In developing the GAIN Caseload Assumption form (TEMP GAIN 10), we did not consider potential tracking and reporting activities for cases deferred due to statutory reductions. In order to appropriately account for CWD activities for these cases, it is necessary for Counties to provide us with the number of cases impacted by statutory reductions. When completing the TEMP GAIN 10, this number should be added to the "Level of Statutory Reduction" line.

12. Concern: For purposes of statutory reductions, what is the definition of "new applicant"?

Response: For purposes of GAIN statutory reductions, a "new applicant" is defined as a person:

- ~ who has not previously applied for the same type of aid in the same County;
- ~ whose aid has been discontinued and who is reapplying for the same type of aid in the same County; or,
- ~ whose previous application has been denied or withdrawn and who is reapplying for aid in the same County.

A person who is an inter-County transfer is considered a recipient, not a new applicant.



13. Concern: Are child care Resource and Referral Agency contracts considered an overhead cost or a direct cost?

Response: Child care Resource and Referral Agency (R & R) contracts which provide for slot development are claimed as a purchase of service overhead cost. Referrals to child care providers are claimed as a direct cost to the components. However, under certain conditions, the cost for all activities performed by the R & R may be claimed as a direct cost. For example, if, in addition to the above services, the contractor also pays the child care providers, and there are no GAIN case worker hours expended in the provision of child care services, the total cost of the contract would be a direct charge to the applicable components. Further information will be provided in the claiming letter for the March 1988 quarter.

14. Concern: Clarification is needed regarding average monthly hours per FTE (full-time equivalent) and case management time per participant.

Response: For purposes of the GAIN budget assumptions, the "average monthly hours per FTE" include only the direct provision of GAIN services to participants; i.e., those activities identified as case management and program operations. These hours will be used only for the development of the number of GAIN case workers.

For purposes of the DFA 52 (Employment Services Time Study) and the DFA 403 (Reconciliation of Time Studies to Allocable Salary Pools), Counties should continue to time-study and compute FTE's in accordance with the instructions issued for these forms. Time-studied hours and FTE's will be used for the development of the overhead ratio to bring the overhead portion of the GAIN allocation more in line with how the costs will be claimed.

15. Concern: Clarification is needed regarding the definition of case management activities compared to program operation activities.

Response: For purposes of the GAIN budget assumptions, the following activities are defined as case management activities:

- ~ reviewing and completing the participant contract;
- ~ determining the appropriate component for the participant;
- ~ tracking and monitoring participation;

- ~ arranging for supportive services;
- ~ providing employment counseling;
- ~ coordinating grant diversion activities with the AFDC eligibility worker;
- ~ conducting cause determinations and conciliations;
- ~ arranging for money management;
- ~ imposing sanctions; and,
- ~ preparing for, making presentations at, and conducting participant fair hearings.

The following activities are defined as program operation activities:

- ~ reviewing the results of assessments with participants (individual time);
- ~ developing the employment plan (individual time);
- ~ resolving barriers to participation, not including supportive services (individual time);
- ~ conducting Orientation, Job Club and/or Job Search sessions (group time); and,
- ~ developing, negotiating and monitoring contracts for employment and training slots.

The above definitions can also be found in the instructions to the TEMP GAIN 11 (Case Management Staff Activities) and the TEMP GAIN 12 (Program Operations Staff Activities).

16. Concern: When completing the TEMP GAIN 11 (Case Management Staff Activities), should Counties use current staff salaries or anticipated FY 1988/89 salaries?

Response: Counties should use anticipated FY 1988/89 salaries, including cost-of-living adjustments.

17. Concern: What guidance can SDSS give Counties in negotiating 5-year leases?

Response: Counties should continue to negotiate and enter into lease agreements in accordance with Federal, State and local requirements. Counties should be conservative in negotiating and entering into leases for space and equipment and not lease more than can be reasonably

expected to be needed. Such leases should be based on current or initial staffing allocations. Finally, Counties should keep in mind that GAIN funds are allocated each FY for a one-year period.

18. Concern: How do the statutory reduction criteria impact a situation where a 16-year old child of a "deferred" participant is mandatory? Is the 16-year old deferred because of the parent's deferral?

Response: A response to this question is being developed and will be disseminated to the Counties at a later date.

19. Concern: How does the reduced GAIN funding impact Food Stamp Employment and Training (FSET)?

Response: There is no impact on FSET. Manual of Policies and Procedures 63-407.21 states that food stamp households that are subject to, and complying with, any work requirement under Title IV of the Social Security Act, including GAIN, are exempt from the food stamp work registration requirement. Persons who are deferred from GAIN due to statutory reductions are considered GAIN registered and are considered to have met the requirements of Title IV.

20. Concern: The IRS now counts mileage reimbursement over \$.21 per mile as taxable income. In Counties where private car mileage reimbursement rates exceed \$.21 per mile, how does the IRS ruling impact GAIN participants? Is the amount of reimbursement over \$.21 counted as income against the AFDC grant?

Response: There should be no impact on GAIN participants. Revenue Ruling #75-246 provides that supportive services payments in training programs such as GAIN are not considered taxable income. Any reimbursement over \$.21 is not counted as income against the AFDC grant.

21. Concern: Do the statutory reduction criteria apply to State-only AFDC-U cases?

Response: Yes. Since State-only AFDC-U cases are considered volunteers, they would be impacted only if the County reduces the caseload to Level 3 (in accordance with MPP 42-720.633).

22. Concern: The Major Estimate Assumptions information includes child care and transportation assumptions for only Orientation and Assessment. Doesn't the State Estimate assume child care and transportation costs in the other GAIN components?

Response: Yes. The information provided in the Major Estimate Assumptions package represents changes from the previous State Estimate. Page 3 of the package identifies "Standard Component Cost Elements" which include transportation, case management and child care. These elements are applicable to all components.

23. Concern: What are the State estimate model assumptions for participant flow through the GAIN Program?

Response: Attached is a spreadsheet which displays participant flow through the State estimate model for 1,000 registrants entering the program in the first month of operation. These registrants (based on specific rates of participation) are moved through all program components and retained in components for specific periods of time. For example, 9.8 percent of 1,000 registrants will ultimately enter Short Term PREP and participate in that component for a maximum of three months. There is also a column that totals component participation which is referred to as "casemonth." Counties are urged to utilize this information when calculating/estimating participant flow for their program.

24. Concern: What are the assumptions and methodology used in developing the State estimate model?

Response: The State estimate model was developed shortly after passage of Assembly Bill 2580. It is a computer spreadsheet program that estimates the costs of GAIN on a statewide basis by moving registrants/participants through components over a period of time. A detailed description of this methodology was written and shared with the Counties during the Spring of 1986. This methodology is provided as an attachment to this package.

The estimate model had not been significantly revised until the Fall 1987 budget process. A second attachment outlines the changes that were made for the Governor's Budget for FY 1988-89. These changes incorporate the experiences from operating Counties, the results of the most recent AFDC survey and CASAS information.

Gain Estimate  
County Casetload Phase-in  
Supercomp2020 File: gain1000  
DATE: 3/7/88

[illegible]

FY 1986/87	1000	420	570	570	1000	475	103	95	150	42	126	25	100	25	127	25	260
FY 1987/88	0	0	0	0	0	0	0	0	198	56	168	33	132	34	168	33	322
FY 1988/89	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Year	3	26	47	375	54	163	64	123	0	0
FY 1986/87	3	26	47	375	54	163	64	123	0	0
FY 1987/88	5	44	62	715	72	215	85	1065	44	88
FY 1988/89	5	0	0	0	0	0	0	595	58	729

## GAIN PROGRAM

### ESTIMATE METHODOLOGY

- I. CASELOAD DEVELOPMENT
- II. COUNTY PHASE - IN
- III. COMPONENT FLOW
- IV. COMPONENT COSTS

GAIN

CASELOAD  
DEVELOPMENT & PHASE - IN

- . NEW APPLICANTS
  - MANDATORY
  - VOLUNTARY
- . EXISTING CASES
  - MANDATORY
  - VOLUNTARY



GAIN  
COMPONENT FLOW  
&  
PARTICIPATION

<u>COMPONENT</u>	<u>PARTICIPANTS</u>	<u>MONTHS DELAY</u>
. Registration	1,000	0
. Remedial Education	200	1
. Job Club/Search	578	1
. Assessment	443	2
. Short Term Training	390	3
. 90 Day Job Search	126	7
. Long Term PREP	149	9

GAIN

STANDARD COST ELEMENTS

- . Child Care
- . Administration/Case Management
- . Transportation
- . Ancillary Assignment Costs

## GAIN

### COMPONENTS

- . Remedial Education
- . Job Club/Job Search
- . Assessments
- . Short Term Training
- . 90 Day Job Search
- . Long Term PREP

GAIN PROGRAM  
COMPARATIVE COUNTY COSTS

	<u>County A</u>	<u>County B</u>
Average Monthly AFDC Caseload	27,000	10,000
Start GAIN Operations	January 1987	July 1986
Months of Phase In	24	24
Total Costs (in millions)		
1986-87	\$ 4.8	\$ 5.2
1987-88	20.4	7.7
Out-Year	15.9	5.7

## GAIN ESTIMATE METHODOLOGY

I. Caseload Development

II. Caseload Phase-In

III. GAIN Component Flow and Participation Rates

IV. Standard Cost Elements

- a. Child Care
- b. Admin./Case Management
- c. Transportation
- d. Ancillary Assignment Costs

V. Component Discriptions

## I. Caseload Development

### . Four Separate Populations were estimated

- New Applicant, mandatory registrants
- New Applicant, voluntary registrants
- Existing Cases, mandatory registrants
- Existing Cases, voluntary registrants

### . New Applicant, mandatory registrants

- Total statewide average monthly cases added for 1985-86 were estimated by AFDC FG&U.
- Mandatory registrants were estimated using mandatory WIN registration rates from the April 1983 Quarterly AFDC Survey (QAFDC) Rates = 27% FG and 94% U.
- Mandatory FG cases were increased to include those cases that lose exempt status due to the youngest child reaching age 6. (4.8% monthly shift - April 83 QAFDC).
- Total mandatory cases were reduced by 6% due to assumed avoidance of cases added.

### . New Applicant, voluntary registrants

- Fifteen percent of the exempt average monthly cases added remaining from above are assumed to volunteer to participate in GAIN (15% based on DSS assumption).

### . Existing Cases, mandatory registrants

- Ending statewide FG and U cases for June 1986 were estimated.
- Estimated mandatory registrants by FG and U were based on WIN registration rates, as above.
- Mandatory FG cases were increased to include those cases that lose their exempt status due to the youngest child reaching age 6 (4.8% monthly shift - April 83 QAFDC),
- At the point of case redetermination, it is assumed that 6% of the cases will not continue on aid. (DSS assumption)
- The existing case population was reduced each month to account for normal caseload attrition (1.8% of existing cases per month would normally leave the program - Oct. 84 QAFDC).

## II. Caseload Phase-In

### . Applicants - Mandatory and Volunteers

- The number of average monthly registrants for each county was estimated based on the counties' caseload ratio to total statewide. This ratio was applied to the statewide average monthly cases added (mandatory and volunteer). The beginning month for county gain operations was based on information from the DSS cost Control Questionnaire. The average monthly caseload for each county was held level from the month of gain operation through June 1992.

. Existing Cases - Mandatory and Volunteers

- Conversion of existing cases into the GAIN Program was based on the estimated statewide AFDC caseload ending June 1986. Specific county caseload was estimated from the statewide total using the county's ratio to statewide. Average monthly cases converted to GAIN was based on the number of months the county indicated it would need to convert its caseload. Average monthly cases by county were reduced to account for normally expected attrition.

III. GAIN Component Flow and Participation Rates

- . Data from the Manpower Demonstration Research Corporation (MDRC) report on the San Diego Job Search and Work Experience Demonstration formed the basis for developing assumed participant movement through the GAIN Program. The basic MDRC data included:

1. Participant flow from registration, to Job Club and on to Work Experience
2. Reasons for participant fall-off between components
3. Participant out comes from Job Club and Work Experience

MDRC data were modified to align with the more comprehensive GAIN Program. This included adjusting MDRC data on reasons for participant fall off in addition to increasing component success rates to include JTPA experience on finding employment. JTPA data shows positive terminations (job placements) for 56% of welfare recipients currently accessing JTPA services. The JTPA success rates were combined with MDRC success rates since many GAIN participants will be accessing JTPA services within Short Term Training.

The resultant component/recipient flow and participation rates are summarized as follows:

<u>Component</u>	<u>Participation Rate</u> <sup>1/</sup>	<u>Months Delay</u> <sup>2/</sup>
Registration	1.0000	0
Remedial Education	.200	1
Job Club/Search	.578	1
Assessments	.443	2
Short Term Training	.390	3
90 Day Job Search	.126	7
Long Term PREP	.149	9

<sup>1/</sup>Participant rates reflect the estimated ratio of registrants that will enter a GAIN component.

<sup>2/</sup>Monthly delay indicates the minimum number of months from initial GAIN registration to entry into a GAIN component

#### IV. Standard Cost Elements

The methodologies stated below were used for each component except as otherwise indicated.

##### A. Child Care

- . Child care costs are estimated separately for each GAIN component and are calculated on the basis of active participation in the component. Casemonths of participant activity are calculated based on the maximum length of the component which are adjusted to account for early component departure due to finding employment.
- . Cases requiring child care reimbursement
  - FG cases only - it is assumed that AFDC-U cases have one parent available for child care
  - FG mandatory cases with children aged 6-12 April 1983 QAFDC Survey indicates 61% of these cases
  - All voluntary FG cases require child care as these cases have children under 6 years
  - It is assumed that 65% of cases requiring child care require reimbursement
- . There are 1.7 children per AFDC case based on the April 1983 QAFDC survey.
- . Child care costs are based on data obtained from fourteen Resource and Referral Agencies throughout California. Average costs used to estimate child care are as follows:
  - Mandatory cases (children aged 6-12)
    - Part time \$166/month/case (equals \$1.63/hr/child)
    - Full time \$403/month/case (equals \$1.19/hr/child)
  - Voluntary cases (children to age 6)
    - All full time \$441/month/case (equals \$1.30/hr/child)

##### B. Administration/Case Management

- . Administration/case management costs are estimated separately for each GAIN component and are calculated on the basis of active participation in the component. Casemonths of participant activity are calculated based on the maximum length of the component which are adjusted to account for early component departure due to finding employment.
- . Costs are estimated using social worker costs per hour and assumes 150 cases per case worker (\$31.94/hour)



### C. Transportation

- . Transportation costs are estimated separately for each GAIN component and are calculated on the basis of active participation in the component. Casemonths of participant activity are calculated based on the maximum length of the component which are adjusted to account for early component departure due to finding employment and temporary absences due to illness, etc.
- . A monthly allowance per participant of \$32 is included which is primarily based on that amount allowed currently in Los Angeles county for a monthly bus pass.

### D. Ancillary Assignment Costs

- . A standard allowance per participant for work supplies, clothes, tools, etc. is included as follows:
  - \$10 for Short Term and Long Term PREP assignments - (MDRC data).
  - \$50 for other training/education components within Short Term Training (JTPA data),

### E. Workers Compensation

- . The cost of Workers Compensation is based on the estimated value of employment performed by participants. The value of employment (\$648.96/month) is based on a 32 hour work week at an hourly wage of \$5.07. The hourly wage is that amount reported by EDD which reflects the advertised average hourly wage listed by employers through EDD offices.
- . The total value of employment is computed using the monthly wage base and the total casemonths by component.
- . Total wage value by component is subsequently adjusted to account for non-employment periods.

## V. Component Description

### A. Remedial Education

- . According to October 1982 QAFDC survey 52% of AFDC heads of households have completed 12 or more years of school.
- . It is assumed that 3% of non-high school graduates will pass the CASAS test and will not require remedial education.
- . The remaining 45% of registrants will require remedial education with 20% being immediately referred, 25% will opt for Job Club/Search prior to remedial education.

- . There are four groups requiring remedial education based on CASA test scores which determine the length of time needed to remediate the participants.
- . The average length of remedial education is 6 months.
- . The average monthly cost of remedial education is \$224 which is based on data provided by State Department of Education staff.

#### B. Job Club/Job Search

- . Approximately 58% of registrants will participate in Job Club/Job Search which lasts a maximum of 3 weeks.
- . Workshop costs estimated assuming 120 hours (3 weeks) of Social worker time.
- . Administration/case management costs based on the standard methodology. See IV C.
- . Child care costs based on the standard methodology, See IV A.
- . Workshop site costs based on 105 square feet per participant at an annual cost of \$12 per square foot.
- . Phone costs are based on 8 phones per site and \$40 per month phone service charge per phone.

#### C. Assessments

- . Approximately 9.5% of registrants will be assessed immediately after registration. These registrants are those who have been on aid more than two times during the last three years.
- . In addition approximately 61 percent of Job Club/Job Search participants will complete that component without finding employment and be directed to Assessment.
- . Initial assessments are assumed to cost \$225 each based on 9 hours at \$25/hour.
- . It is assumed that 10 percent of initial assessments will be appealed and require a second opinion.
- . Second opinion assessments are assumed to cost \$150 based on 3 hours at \$50/hour.

#### D. Short Term Training

- . Approximately 88 percent of those participants who are assessed will participate in one of the Short Term Training components, which are distributed as follows:

		<u>Max. Length of Component</u>
- Short Term PREP	25%	3 Months
- OJT	15%	4 Months
- Voc. Training	15%	5 Months
- Grant Diversion	15%	9 Months
- Supported Work	2%	9 Months
- Other Training/ Education	28%	6 Months

- . All cost elements within the separate Short Term Training components adhere to the standard methodology except as stated below.

- . On the Job Training (OJT)

- The average cost of an OJT assignment is \$1,830 based on EDD survey data.

- . Vocational Training

- The average cost of a Voc. Training assignment is \$1,622 based on EDD survey data.

- . Supported Work

- Administration/case management costs are based on MDRC report data from other states' supported Work programs. The cost used is \$216.67 per casemonth of participant activity.
  - The non-government costs per Supported Work Assignment is \$4,550 based on the above data source.

- . Other Training/Education

- This component includes the following sub-component activities;  
1) Community College 2) Adult Education 3) Other Training
  - The average cost of assignment is \$2,045 which includes Community College ADA (\$3,200), Adult Education ADA (\$1,200) and Other Training (\$1,500).

#### E. 90 Day Job Search

- . Approximately 33 percent of Short Term Training participants are estimated to complete their Short Term Training assignment but will have not secured employment. These participants will be directed to 90 Day Job Search.
- . During the 90 Day Job Search county staff will contact the participant six times to ensure compliance with program requirements. One half hour per contact/evaluation is estimated based on the hourly rate of the social worker.
- . It is expected that actual job search will occur three times a week with an allowance of \$1.50 a day for transportation (\$18.00/month).

#### F. Long Term PREP I

- . Participants entering Long Term PREP I are directed from Short Term Training and 90 Day Job Search. Approximately 21 percent of Short Term Training participants will be directed to Long Term PREP I and 54 percent of 90 Day Job Search participants.
- . All costs are calculated using the standard methodologies discussed in Section IV.

#### G. Long Term PREP II

- . Long Term PREP II participants are those who complete one year in Long Term PREP I and are still not employed. These individuals are redirected to Long Term PREP after an additional assessment is completed. Approximately 69 percent of Long Term PREP I participants will be recycled for another year.
- . All costs are calculated using the standard methodologies discussed in Section IV.

#### H. 90 Day Transition Child Care

- . The cost of providing 90 Day Transition Child Care is based on the expected number of participants finding employment and going off Aid.
- . The estimated employment rates by component are as follows:

	% of Participants
Job Club/Job Search	28%
Short Term Training	47%
90 Day Job Search	47%
Long Term PREP I	32%

- . Data from MDRC's report on the San Diego Work Experience indicates 37.6% of welfare recipients who find employment go off aid.
- . The cost of child care is calculated using the methodology stated in Section IV.

GAIN ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

<u>Component</u>	<u>May Estimate</u>	<u>November Estimate</u>	<u>Reasons for Change</u>
<u>Caseload Development</u>	All CA 237 apps. approved considered GAIN applicants.	Apps. reduced by res- torations, EA, intra- program status changes, (30% reduction in case- load).	More accurate methodology.
<u>Caseload Participation</u>			
Applicant Mandatory	27% FG, 94% U.	28.9% FG, 98% U.	More recent (1985) Characteristics Survey.
Applicant Volunteer	15% of exempts.	15% of exempts.	
Existing Mandatory	27% FG, 94% U.	28.9% FG, 98% U.	More recent (1985) Characteristics Survey.
Existing Volunteers	15% of exempts.	15% of exempts.	

GAIN ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

<u>Component</u>	<u>May Estimate</u>	<u>November Estimate</u>	<u>Reason for Change</u>
<u>Caseload Phase-in Applicants</u>	Co. Caseload Ratio. to total statewide existing caseload applied to statewide average monthly cases added.	Each county's most recent 12 months average monthly cases added (Aug. 86 - July 87).	More accurate methodology.
Existing Cases	Conversion to GAIN based on Co. ratio to statewide total.	Individual County July 1987 actual existing caseloads.	More accurate methodology.
Start-Up	First month, 10%.  Second month and thereafter, 100% for counties starting after June 1987 according to the May 1987 county impl. schedule.	Co. plans phase-in used.	More accurate methodology.

GAIN ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

Component Flow	Estimate		Reasons for Change
	May	November	
Registration	Month 1	Month 1	No change.
Orientation	Month 1	Month 1	No change.
Job Club/Search	Month 2	Month 3	County survey findings <sup>1/</sup> -Contract signed on day 51. Participation assumed to start in following month.
Remedial Education	Month 2	Month 3	County survey findings -contract signed on day 32. Participation assumed to start in following month.
Assessment	Month 3	Month 4	County survey findings -contract signed on day 85. Participation assumed to start in following month.
Short Term Trng.	Month 3	Month 5	Remaining components changed to account for delays in Job Club/ Search, Remedial Ed, and Assessment components.
90-Day Job Search	Month 7	Month 8	
Long Term Prep	Month 10	Month 11	



Department of Social Services  
Administration Division

GAIN ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

November 1987

Component

May  
Estimate

November  
Estimate

Reasons  
for Change

Identification/Testing  
Appraisal

Child Care allow.  
6 hours.

Child Care allowance  
10 hours.

Actual county plans show  
orientation lasts 6 - 7  
hours plus travel time.

No transportation  
costs allowed.

Transportation costs  
allowed - 2 days.

Former assumption that  
Orientation occurs as  
part of AFDC app. process  
was in error;  
participants make  
separate trips for  
Orientation.

Remedial Ed.

6 months duration.

7 months duration.

CASAS report findings.

Adult Ed. ADA\$1234.

Adult ADA \$1,308.

Cost increases reported  
by SPE.

50% participation.

57% of applicants  
participate.

CASAS report findings.

67% of existing  
participate.

CASAS report findings.

No allowance for  
excess ADA.

Allowance for excess  
ADA costs included  
at 5%.

Recognizes school dist.  
extra costs for GAIN not  
included in ADA.

No participant  
attrition assumed.

5% participant  
attrition per month  
assumed.

Recognizes attrition.

GAIN ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

<u>Component</u>	<u>May Estimate</u>	<u>November Estimate</u>	<u>Reasons for Change</u>
<u>Job Club/Search</u>	One Social Worker.  No ancillary costs allowed.	Two Social Workers.  \$10 ancillary costs added.	Currently being approved in county plans.  Co. plans indicate participant need for ancillary funds to prepare for Job Search/ interviews.
<u>Assessment</u>	Child Care allow 6 hours.  Assessment costs \$225.	Child Care allowance 10 hours.  Assessment costs \$234.	Assessment time longer than assumed in May. Travel time included.
	No transportation costs allowed.	Transportation costs allowed - 2 days.	Co. plans indicate need for transportation costs to site of assessment.
<u>Short Term Prep</u>	No Job Slot Dev. costs allowed.	5 hrs/slot of job slot development costs allowed.	May estimate did not allow for staff time to develop job slots. Co. plans show need for funding this activity.

State of Tennessee  
Department of Social Services  
Administration Division

GAIN ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

<u>Component</u>	<u>May</u>		<u>Reason for Change</u>
	<u>Estimates</u>	<u>November Estimates</u>	
<u>OJT</u>	Unit costs \$1830.  No job slot dev. costs allowed.	Unit costs \$2586.  5 hrs/slot of job slot dev. costs allowed.	JTPA actual data shows cost increases.  Many estimate did not allow for staff time to develop job slots. County plans show need for funding this activity.
<u>Vocational Training</u>	Unit cost \$1622.	Unit cost \$2454.	JTPA actual data shows cost increases.
<u>Grant Diversion</u>	No Job Slot Dev. costs allowed.	5 hrs. per slot of job slot Development Costs allowed.	May estimate did not allow for staff time to develop job slots. County plans show need for funding this activity.
<u>Supported Work</u>	No change.	No change.	N/A.

GAIN ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

Component	May Estimate	November Estimates	Reason for Change
<u>Other Trng./ED</u>	Adult ED. ADA assumed for non-college training (\$1234).	ROP revenue limit assumed for non-college training (\$1996).	Most training programs are vocational. Actual costs incurred are equivalent to ROP revenue limit.
	75% Comm. College.	75% Comm. Colleges.	No change.
	25% Other Training.	25% Other Training.	No change.
	Comb. Unit costs \$2325.	Comb. Unit Costs \$2644.	Change to ROP revenue limit.
	Duration 6 months.	Duration 10 months.	Recognizes self-initiated training plus more closely tied to duration of school year.
<u>90-Day Job Search</u>	No child care allowed.	Child care costs allowed.	Job Search activities formerly assumed to be only during school day when Child Care not necessary.
	No Job Club allowed.	One week of Job Club allowed.	Co. feedback indicates participants being recycled to Job Club.
	Transportation allowance 2 days/wk.	Transportation allowance increased to 5 days/wk.	Assume Job Search the entire week.
	No ancillary costs allowed.	Ancillary costs added-\$7 per participant.	Job Search participants need funding for miscellaneous expenses.

State of California  
Department of Social Services  
Administration Division

GALE ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

November 1987

<u>Component</u>	<u>November Estimate</u>	<u>Reasons for Change</u>
<u>Long Term Prep</u>  No Job Slot Devel. costs.	5 hrs. per slot of Job Development Costs allowed.	May estimate did not allow for staff time to develop job slots. County plans show need for funding this activity.
<u>90-Day Trans.</u> <u>Child Care</u>  Standard Cost <u>Elements</u>	No change.  Transportation Costs \$65/mo.  Case management time two hrs./case.  Social Worker costs/hr. \$37.08.	N/A.  Based on weighted average of approved County plans.  Currently being approved in county plans.  Change to 87/88 actual budgeted CWS cost/hr. including 86/87 COLA.
<u>Savings</u>  Avoidance 6% applicants and existing cases.  Grant Reduction 29 mos. \$17 - \$24/mo.  Administrative costs 29 months at \$50.72/mo.	Avoidance 6% applicants and existing cases.  Grant Reduction 29 mos. \$17 - \$24/mo.  Administrative costs 29 months at \$50.72/mo.	No change.  No change.  No change.

GAII ASSUMPTIONS AND METHODOLOGY  
Governor's Budget 1988-89

Component	May		November	Reasons for Change
	Estimate	87/88	Estimate	88/89
<u>Funding</u>				
Title IV-A	\$	30.9	\$	56.9
Title IV-C		11.0		13.8
No change in assumptions				
<u>Community Resources</u> <sup>1</sup>				
JTPA		15.9		8.9
JTPA-ED		4.6		7.2
CSBG		0.8		1.5
ROP		2.6		2.0
Fed. Voc. Ed		0.6		4.8
Comm. Coll. ADA		13.2		29.4
Adult Ed. ADA		5.2		14.1
ETP		5.0		1.1
Refugee SS/TA		5.0		5.0
WIN-COD		1.0		1.8
JOBS-COD		0.5		2.8
JOB SVC./AGT/CTR		1.9		7.8
PELL GRANTS		4.3		5.6
CARE		0.1		0.3
TOTAL	\$	60.7	\$	92.3
				\$143.7
				Full Implementation <sup>1</sup> \$ 26.12

- 1/ Except as noted, any changes in assumed full implementation funding are due to COLA.
- 2/ May funding (\$32.8) overestimated. JTPA correction.
- 3/ Actual data shows only 4% of ETP trainees are AFDC; funding reduced from \$5.0 million.